Pleasant Grove City City Council Regular Meeting Minutes August 16, 2016 6:00 p.m.

PRESENT:

Mayor: Michael W. Daniels

Council Members: Dianna Andersen

Eric Jensen Cyd LeMone Ben Stanley Lynn Walker

Staff Present: Scott Darrington, City Administrator

Sheri Britsch, Library and Arts Director

Denise Roy, Finance Director

Deon Giles, Parks and Recreation Director

Mike Roberts, Police Captain Kathy Kresser, City Recorder

Ken Young, Community Development Director

Marty Beaumont, Public Works Director

Tina Petersen, City Attorney Dave Thomas, Fire Chief

Others: Roger Harper, North Pointe Solid Waste District

Reece DeMille, Republic Services

Allison Price, Zions Bank

The City Council and Staff met in the City Council Chambers at 86 East 100 South, Pleasant Grove, Utah.

1) <u>CALL TO ORDER</u>

Mayor Daniels called the meeting to order and noted that all Council Members were present.

2) PLEDGE OF ALLEGIANCE

The Pledge of Allegiance was led by Planning Commissioner, Jennifer Baptista.

3) <u>OPENING REMARKS</u>

The opening remarks were given by NAB Chair, Libby Flegal.

4) APPROVAL OF MEETING'S AGENDA

City Administrator, Scott Darrington, noted that Item 10A will be discussed after Item 11A.

ACTION: Council Member Stanley moved to approve the agenda with the aforementioned change. Council Member Jensen seconded the motion. The motion passed with the unanimous consent of the Council.

5) <u>OPEN SESSION</u>

Mayor Daniels opened the open session.

Mike Carter gave his address as 2708 North 450 West and announced that he and a partner, Al Switzler, have opened a food pantry called Tabitha's Way in American Fork, located at 920 East State Road. Tabitha's Way is a non-profit organization that partners with the Utah Food Pantry. In working with the Utah Food Pantry, they identified the greatest need in Pleasant Grove and American Fork, as there is no other food bank in northern Utah County. Mr. Carter provided statistics specific to the area with regard to need for this type of service. He stated that Tabitha's Way will serve all homeless families in the area. Mr. Carter noted that they have another location in Spanish Fork as well, where they serve 5,000 people per month. There will be a ribbon cutting ceremony on August 30th at 10:00 a.m. that will be sponsored by the Tri-City Chamber. Mr. Carter invited the Council to attend and noted that the event will receive media attention. The President of the Utah Food Bank will be speaking.

In response to a question from Mayor Daniels, Mr. Carter explained that Tabitha's Way also collects and sells used clothing, the funds of which are used to pay for the food and other life-sustaining supplies. Food donations are also accepted. He mentioned that there are approximately three dozen volunteers that help run the organization each week. About 40% of the food they receive comes from food drives. Another 40% comes from the organization picking up food donations from several stores throughout Northern Utah County. The remaining 20% comes from the Utah Food Bank.

Council Member Stanley noted that Mr. Carter was awarded the Chamber of Commerce's Business of the Month Award.

Christopher Williams gave his address as 845 North 100 East and asked about the Public Safety Building. He noted that the architect mentioned several times that if the facility was built at the Pipe Plant Property as a one-story building, it would be much cheaper. Mr. Williams pointed out that the final plan shows a two-story building. He asked for clarification on the discrepancy. Mayor Daniels asked Mr. Williams if he was available to attend the following night's Public Safety Building Committee Meeting to speak with the architect. Mr. Williams answered in the negative. Mayor Daniels stated that he would ask that question on behalf of Mr. Williams at the meeting, and would and relay the answer afterward.

There were no further public comments. Mayor Daniels closed the open session.

6) CONSENT ITEMS

- a) City Council Meeting Minutes:
 City Council Minutes for the July 19, 2016 Meeting
 City Council Minutes for the August 2, 2016 Meeting
- b) To Consider for Approval Pay Request No. 2 and Change Order No. 1 for the Locust Avenue Road Rehabilitation for Geneva Rock Products.
- c) To consider approval of payment vouchers for (August 10, 2016)

ACTION: Council Member Jensen moved to approve the consent items. Council Member Andersen seconded the motion. The motion passed with the unanimous consent of the Council.

7) **BOARD, COMMISSION, COMMITTEE APPOINTMENTS**

There were no appointments.

8) PRESENTATIONS

A) MISS UTAH LAUREN WILSON, FORMER MISS PLEASANT GROVE, TO PRESENT TO THE COUNCIL.

Miss Utah Lauren Wilson noted that she was Miss Pleasant Grove 2013. Her platform is Suicide Awareness and Prevention, which is a subject for which she has a great deal of passion. She noted that she lost her best friend to suicide and has sought to implement resources in the community and throughout the State to better address the issue. Miss Wilson invited everyone to attend a Hope Walk on August 27th at Liberty Park in Salt Lake City at 9:00 a.m. In addition to a short, one-mile walk, the event will feature a program, entertainment, food, booths, and community resources. Miss Wilson also announced that her send-off to the Miss America Pageant will be on August 25th in the DoTERRA Auditorium. The purpose of the send-off is for all of her friends, family, and supporters to see what talents and preparations she will be taking to the pageant finals. Miss Wilson noted that she leaves on August 28 and the finals will be broadcast on September 11, on ABC at 7:00 p.m. She will perform every aspect of the competition at the send-off. She explained how to vote for America's Choice, which can be done on the pageant website which is www.missamerica.org/vote. Miss Wilson distributed personal invitations to her send-off and appreciated everyone's support.

9) PUBLIC HEARING ITEMS

There were no public hearing items.

10) ACTION ITEMS READY FOR A VOTE

A) TO CONSIDER FOR ADOPTION A RESOLUTION (2016-038) AUTHORIZING THE ISSUANCE AND SALE BY THE CITY OF NOT MORE THAN \$4,000,000 AGGREGATE PRINCIPAL AMOUNT OF ITS GENERAL OBLIGATION REFUNDING BONDS, SERIES 2016; DELEGATING TO CERTAIN OFFICERS OF THE CITY THE AUTHORITY TO APPROVE THE FINAL TERMS AND PROVISIONS OF THE SERIES 2016 BONDS WITHIN THE PARAMETERS SET FORTH HEREIN, AND RELATED MATTERS; AND PROVIDING FOR AN EFFECTIVE DATE. Presenter: Administrator Darrington.

Note: Item 10A was discussed after Item 11A.

Administrator Darrington stated that the City has a GO bond that was issued in 2008 for the new Recreation Center. The bond is now in the position to be refinanced to save the City money. In order to move forward, a Parameters Resolution has been created to reissue the bond, which is detailed in the aforementioned resolution. Administrator Darrington explained that because this is a GO bond, the savings will be directed back to the residents and not taken from the Pleasant Grove City budget.

Allison Price from Zions Bank explained that the bonds are scheduled to mature in 2031. Over the next 15 years, the net present value savings will be \$400,288, and the proposed new rate of the new bonds is 2.2%. This equates to an annual present value savings of about \$29,000. For an average home value of \$250,000, this would be a savings of about \$2.40 per year. Ms. Price presented a chart depicting the historical interest rates since 1988, showing that interest rates are currently at historical lows. She also presented a savings and debt service comparison of the old bonds to the new ones.

In reviewing the data presented, elected officials agreed that the interest rates are at their lowest. Mayor Daniels asked how many other bonds the City could refinance to take advantage of the low rates. Administrator Darrington noted that while the City does not have any other bonds that are eligible for refinancing, he explained that the low interest rates will benefit any new bonds that are issued in the near future. He explained that when refinancing an existing bond, the City's financial advisors approach them if a refinance will directly benefit the City. Mayor Daniels asked if the numbers include the fees. Ms. Price answered in the affirmative. She also noted that the projected savings is 11.17%.

Administrator Darrington explained that there are two ways to refinance which include a competitive or negotiated sale. Zions Bank has spoken with potential buyers and feel they have a good rate on a negotiated sale, which would save the City money and time. Staff recommended moving forward with a negotiated sale. In response to a question from Mayor Daniels, Administrator Darrington explained that a competitive sale could take up to six weeks, whereas a negotiated sale is a much quicker process. Any change to the rates could eliminate any savings, which staff was certain the City could take advantage of today.

Council Member Stanley asked if there is a lock out period that would prevent the City from refinancing again in two or three years. Ms. Price explained that there is a five-year call provision. If the City wanted to refinance again later, they could do so after five years. Administrator Darrington explained that usually refinancing cannot take place until after 10 years have passed. However, because the rates are so low, the City is doing an advance refunding.

ACTION: Council Member LeMone moved to adopt a Resolution (2016-038) authorizing the issuance and sale by the City of not more than \$4,000,000 aggregate principal amount of its General Obligation Refunding Bonds, Series 2016; delegating to certain officers of the City the authority to approve the final terms and provisions of the Series 2016 Bonds within the parameters set forth herein, and related matters; and providing for an effective date. Council Member Jensen seconded the motion. A voice vote was taken with Council Members Andersen, Jensen, LeMone, Stanley and Walker voted "Aye". The motion carried unanimously.

B) TO CONSIDER FOR APPROVAL A REQUEST FOR A CLASS "A" OFF-PREMISE BEER LICENSE FOR THE MURPHY'S EXPRESS CONVENIENCE STORE/FUEL STATION, #8780 LOCATED AT 1679 WEST STATE STREET, PLEASANT GROVE, UTAH. (SAM WHITE'S LANE NEIGHBORHOOD) Presenter: Attorney Petersen.

City Attorney, Tina Petersen, explained that local ordinance requires that Class A licenses be approved by the Council. A resolution is not required for approval. She noted that the applicant still needs to complete a fire inspection; however, all other requirements have been met. She mentioned that Murphy's Express is located in front of the Neighborhood Walmart on State Street.

Scott Ballinger introduced himself as the Utah and Nevada District Manager of Murphy's Express. He stated that the company is excited to be in the State of Utah and in Pleasant Grove. They have five sites that are being built this year throughout the Greater Salt Lake Area. Murphy's Express is a large company with 1,350 locations in 25 states. He noted that they are headquartered in a small town in Arkansas. With regard to beer licensing, they have invested heavily in technologies to help prevent underage sales. All of their equipment scans IDs to catch fraud, and mystery shoppers come once a month. If any sales take place without a proper ID, the cashier who allowed the sale loses their job and all other employees are required to be retrained. They have a zero tolerance policy as a company for underage drinking. Mr. Ballinger noted that they build 60 to 80 stores every year and will likely open more in Utah next year.

In response to a question from Mayor Daniels, Mr. Ballinger explained that they are not associated with any other companies, however, they have a long standing relationship with Walmart, because many of their sites are located in Walmart parking lots as kiosks. Mr. Ballinger noted that Murphy's Express is a Fortune 200 company and they are the second largest retailer in the United States in dollar sales per square foot, behind Apple.

ACTION: Council Member Jensen moved to approve a request for a Class "A" off-premise beer license for the Murphy's Express Convenience Store/Fuel Station, #8780 located at 1679 West State Street, Pleasant Grove, Utah. Council Member Stanley seconded the motion. The motion passed with the unanimous consent of the Council.

11) <u>ITEMS FOR DISCUSSION</u>

A) DISCUSSION REGARDING THE BAYVIEW LANDFILL WITH NORTH POINTE SOLID WASTE DISTRICT AND REPUBLIC SERVICES. *Presenter: Administrator Darrington*.

Note: Item 10A was discussed after Item 11A.

Administrator Darrington briefly reviewed the Executive Summary that was previously presented on this item during the Work Session held on August 9. He explained that there is concern with the proposed purchase of the Bayview Landfill involving a discrepancy that has surfaced between what was presented by the North Pointe Solid Waste Special Service District (NPSWSSD) and the Utah Taxpayers Association (UTA).

Administrator Darrington explained that another philosophical question up for debate is whether this service should be provided publicly, even though it is currently provided by the private sector. He remarked that it is not uncommon for cities or a group of cities to own a landfill and there are other cities in Utah that have own their own facility. In response to the proposal from NPSWSSD, Republic Services has countered that they will build their own transfer station in Pleasant Grove to compete against them. They have both the land and proper zoning in order to move forward. This could potentially benefit Pleasant Grove in that the City could bid out services with Republic Services when the City's contract with North Pointe expires in 2019. The matter will be brought forward for a formal vote on the NPSWSSD Board on August 22. The purpose of the discussion was to provide Council Member Walker, the City's representative on that Board, proper direction on how to vote.

<u>Roger Harper</u>, the NPSWSSD District Manager, stated that they are always looking for ways to keep costs down on their services. He has been evaluating this project for several years and explained that the more groups who participate in the deal, the more economical benefits there will be for everyone. This group could possibly consist of South Valley, North Pointe, Trans-Jordan, Wasatch Integrated, and Weber County.

Council Member Jensen stated that the price is being shown as \$5.7 million, which is significantly higher than originally listed. Mr. Harper clarified that the cost of the landfill is \$5.7 million, which would be divided by all participating Special Service Districts (SSDs). Thus, the price per entity if all five entities participate would be just under \$1.2 million each. He stated that the cost would obviously vary if there were fewer players.

Council Member Stanley stated that the Utah Taxpayers Association (UTA) has expressed concern with the creation of NUERA, which is a new entity, and how the new group would be held accountable to the public. He asked Mr. Harper to explain why the creation of NUERA is essential to the plan. Mr. Harper explained that NUERA would be created as a way of combining resources. The Board would be comprised of 12 members that represent each participating district; each district in turn represents individual communities. Council Member Stanley asked how Board Members would be chosen. Mr. Harper explained that they would be selected by the participating districts.

Council Member Andersen inquired as to the length of the contract that the City would sign if they participate. Mr. Harper stated that typically contracts pertaining to infrastructure are for seven to 10 years. However, Pleasant Grove City would not be signing a contract. NPSWSSD would sign a contract with NUERA and Pleasant Grove City would continue to operate according to their existing contract with NPSWSSD. In response to question from Council Member Andersen, Mr. Harper explained that the projected life of the landfill with all five participants would be 80 years.

Mayor Daniels asked if all five of the aforementioned SSDs are needed to participate in order to move forward. Mr. Harper explained that they need at least four of the organizations to participate. Council Member Jensen asked about ongoing expenses. Mr. Harper outlined the start-up expenses as well as those that are built into the ongoing fee.

Mr. Harper concluded that up until 2006, NPSWSSD's contract with Republic Services was to haul the waste to Carbon County by rail. Transportation was such a huge issue, that a landfill was built out in Tooele County, at which point they changed the transport method to trucks. He stated that Republic Services has been a great partner to NPSWSSD in providing transport services. However, in general, it will be less costly to haul garbage 39 miles versus 93 miles. He opined that it is in the best interest of the community for the SSDs to buy into the purchase of the Bayview Landfill.

Reece DeMille from Republic Services, agreed that his company has had a good relationship with NPSWSSD, which is why this action came to them as a surprise. Mr. DeMille clarified that he represents Republic Services and not necessarily the whole private sector on the matter; although, this decision will affect the entire private sector. He stated that Republic Services does not deny that NPSWSSD should look at going to Bayview because of the distance factor. However, this decision will definitely hurt Republic Services. He explained that the reason this matter is coming forward is because Bayview put out an RFP one year ago in an effort to privatize their landfill. In light of the response they received, NUERA got involved and asked Bayview to work with them. This action prompted a response from the private sector that they need to find a way to remain competitive in the industry. Mr. DeMille further explained that while Republic Services does not deny that going half the distance is a good move, they do not understand why entities would pay \$1.3 million to move locations. NPSWSSD can take their waste to Bayview any time. A study that NUERA conducted by a company called Cornerstone indicated that based on economies of scale, the more tonnage of waste in the landfill that they receive, divided by the fixed costs, the less costly services will be. For this reason, Republic Services will need to find ways to compete with NPSWSSD.

Mr. DeMille stated that he came forward to the Pleasant Grove City Council about one year ago requesting that they sign an Interlocal Agreement. He is now before the Council stating that the City's actions with NPSWSSD could potentially change the setup of the Interlocal Agreement altogether. If they build a transfer station, Republic Services will approach Pleasant Grove City about coming to their transfer station. They will approach other cities all along the Wasatch Front as well. Mr. DeMille stated that he was at a Work Session in American Fork the previous week where consultants hired by NUERA reviewed the Cornerstone numbers and attested to their viability. The consultants in the American Fork meeting did not know if the deal makes sense for

Weber and Davis Counties. It is illogical for those counties to participate in the deal because they are passing three landfills to get to Bayview. Mr. DeMille commented that this deal is moving forward very fast and there are still questions that need to be answered. If entities purchase the landfill, they are stuck with those responsibilities and will have opted out of allowing the private sector to market their services in a competitive environment.

Council Member Jensen inquired as to how smell issues will be mitigated. Mr. DeMille invited Council Member Jensen to visit the transfer station in Salt Lake City to see how well Republic Services manages it. He stated that a well-managed transfer station can be a good neighbor. The station is enclosed, so there is no garbage blowing all over the place. Council Member Andersen stated that she and Council Member LeMone recently toured a facility that is owned and operated by Republic Services and they were impressed by what they saw.

Mayor Daniels stated that as a private business owner he would be upset if the City of Pleasant Grove decided to open up a movie theater using taxpayer dollars and then start driving his traffic to them. Because the City's theater would be subsidized, he did not know that his private business could compete. He wondered if this represents a good intention that is not in the right direction of free enterprise. Mr. Harper commented that this deal would help stabilize the long-range market price along the Wasatch front. He stated that the Bayview landfill is not a private landfill that is going public but rather, a public landfill that will remain public. The buy-in with NUERA would simply expand the service area. There was further deliberation on the matter.

Council Member Stanley stated that Mr. DeMille raised a compelling argument about looking into Bayview without necessarily buying into it. He asked Mr. Harper if NPSWSSD has looked at the processes of using Bayview if NUERA does not become the owner. Mr. Harper stated that they would go through the bidding process. He explained that NPSWSSD is seeking to find a way to secure long-term control over their future. He argued that while there are risks involved with moving forward with the proposal, there can also be a lot of security in owning their own facility. Council Member Stanley stated that there can also be security in forming long-term contracts with other users, without necessarily buying into the purchase. Mr. Harper opined that it is in the best interest of NPSWSSD to move forward with the deal. There was continued discussion on whether as a government entity, NPSWSSD is accurately representing the citizens it serves.

Mr. DeMille commented that there is a feeling that if NPSWSSD co-owns the landfill that they will have control of it. However, the market establishes the control. They can only get as much value out as the market will allow.

Council Member Stanley expressed concern to UTA and NUERA with regard to Denver trying to make the case as to whether the deal makes sense. In his opinion, this may suggest that one or both entities are picking examples that support their position. Mr. DeMille explained that he relayed the aforementioned information on the Denver markets to UTA because Republic Services has facilities in the Denver market, which is privately owned and operated. As a general example, because the Denver market is privatized, all of the landfills compete with each other, thereby driving down prices. Currently, the average rate for both private/publicly owned landfills along the Wasatch Front is \$29 to \$39 per ton. In Denver, it is \$19 per ton. Mr. DeMille stated that this is just one example of how a competitive market can drive down rates.

Council Member Andersen expressed concern with a long-term commitment, especially when the anticipated savings and benefits of partial ownership have not been substantiated with hard data. She referenced the UTOPIA deal. Council Member Andersen preferred to renegotiate on a more regular basis. There was discussion on the details of the City's current contract with NPSWSSD. Administrator Darrington noted that the \$1.3 million cost of buying into the Bayview Landfill purchase is not a cost to the City but a cost to NPSWSSD, of which Pleasant Grove City is a part owner.

Members of the City Council made concluding remarks on the matter. Council Member Walker opined that the government is getting overly involved and stated that they need to be careful of competing as a public entity with the private sector. Council Member LeMone stated that she needs to visit the transfer station in person to put some of her concerns at ease. In general, however, she agreed with what was said. Council Member Jensen commented that the private sector is doing a great job of handling the garbage business. Council Member Stanley advised Council Member Walker to vote against the buy-in, which would allow the City to take more time in researching their options.

12) REVIEW AND DISCUSSION OF THE AUGUST 23, 2016 CITY COUNCIL MEETING AGENDA

The agenda items for the City Council Meeting to be held on the aforementioned date were briefly reviewed. It was noted that the Public Safety Building Committee (PSBC) will be giving a presentation. Item 10A, a Resolution adopting a Special Bond Election, will be dependent upon the decision and/or recommendation determined at the following night's PSBC meeting. Mayor Daniels explained that this item is on an agenda based on Utah State Law deadlines for approving an item to be placed on an election ballot. He explained that the PSBC would be making recommendations to the Council based on the viable options available to the City, as well as the costs associated with each option. The Council will then be responsible for asking the citizens how much they would be willing to bond. It was noted that the two figures will not necessarily be synonymous.

13) NEIGHBORHOOD AND STAFF BUSINESS

Public Works Director, Marty Beaumont, reported that the final walkthrough for Locust Avenue will be on Monday, August 22. He provided an overview of where striping will occur. He reported that the Garden Drive Water Line and Road Reconstruction Project starts on Thursday, August 18. The 4000 North Sewer Project will commence on September 6, which is the day after Labor Day. They will have to be finished installing the sewer line by the end of October at the latest in order to get the pavement back down. With regard to the project on Loader Avenue, there have been problems with the gas company getting the gas lines behind the sidewalks. As a result, they decided to put them out front of the curb. This has delayed the final grading and asphalt work. Director Beaumont noted that the 60-day extension on the Loader Avenue contract ends on Saturday, August 20th; therefore, the contractor is required to have the paving done by that time. School starts on Monday, August 22nd. There was further discussion on projects taking place throughout the City.

Fire Chief, Dave Thomas, reported that on August 10th they conducted a promotional test to replace the Deputy Chief. They anticipated some trickledown as a result of the vacant position and used the same test to cover all of the other positions. The results were as follows:

Deputy Chief, Andrew Engemann; Battalion Chief, Cody Jolley; Captain, Former Lieutenant Chase Gussman; and Lieutenant, Tyler Nelson.

The aforementioned individuals accepted offers to their new positions. As a result of the changes, as well as another firefighter leaving to accept a position in Lehi, two entry level firefighter positions are now vacant. The Fire Department will seek to fill the positions as quickly as possible.

Library and Arts Director, Sheri Britsch, provided an overview of all of the upcoming programs at the Library. This Thursday they are starting a "Be Safe and Smart Online" program for teens and young adults. The Astronomy Club, which will meet quarterly, will have its first meeting on Thursday, August 25. Council Member Andersen suggested that information on the Astronomy Club be distributed to local scout troops.

14) MAYOR AND COUNCIL BUSINESS

Mayor Daniels reported that he will be gone next week. Mayor Pro Tem Andersen would serve in his absence.

15) **SIGNING OF PLATS**

The following plats were signed: Zhipeng Estates and Muirfield Plats "C" and "D".

16) <u>REVIEW CALENDAR</u>

A joint meeting with the Planning Commission was scheduled for August 30 at the Fox Hollow Golf Course.

17) <u>ADJOURN AND CONVENE AS THE REDEVELOPMENT AGENCY OF</u> PLEASANT GROVE CITY

18) <u>ADJOURN AS THE REDEVELOPMENT AGENCY OF PLEASANT GROVE CITY AND RECONVENE AS THE PLEASANT GROVE CITY COUNCIL</u>

ACTION: Cyd LeMone moved to adjourn as the Redevelopment Agency of Pleasant Grove City and reconvene as the Pleasant Grove City Council. Lynn Walker seconded the motion. The motion passed unanimously.

Note: The Redevelopment Agency adjourned and reconvened as the City Council at 7:19 p.m.

19) **ADJOURN**

ACTION: Council Member LeMone moved to adjourn. Council Member Stanley seconded the motion. The motion passed with the unanimous consent of the Council.

The meeting adjourned at 7:19 p.m.

The minutes of the August 16, 2016 City Council Meeting were approved by the City Council on September 6, 2016.

Kathy T. Kresser, City Recorder, MMC

(Exhibits are in the City Council Minutes binders in the Recorder's office.)